

should the improvement continue, it will advance this portion of the gold field to a position of distinction. The deepest level to which the reefs of this district have yet been worked to any great extent is in the Bright Smile mine, at a depth of 218 feet from the surface; and as this mine may be taken as representing the City of London, Queen of Beauty, and one or two others on the same line of reef, a brief reference to it will serve as a description of the others, the only distinction being that the others are not yet worked to so great a depth. The reefs of the Bright Smile mine are three in number, and run in parallel courses. In the upper levels these lodes were only of moderate size, from 2 to 3 feet in thickness; but as the depth from the surface increased, so did the size of the lodes and the richness of their quality, until at the present level they have opened out to sizes varying from 6 to 20 feet. The main shaft of this mine, over which pumping and winding machinery has been erected, is now being sunk a further depth to open new levels. For a long time the average return of gold from this mine has been at the rate of 800 ounces of gold per fortnight, but at present only half the usual crushing force is employed. The average per ton is, however, as good as usual, being as a rule above an ounce to the ton. In addition to the Bright Smile lodes, there is another in the City of London, which has been worked to great advantage. Its course has been across the line of the others, and its width in the low level from which it is now being worked is 12 feet. The average yield from this mine is 600 ounces of gold per month. The Queen of Beauty mine is still worked as a claim, and has continued to pay the shareholders handsomely, at the rate of about £200 per month to each man. Another mine in this district, called the "Crown Prince," has shown a decided change for the better during the year. Evidences of great wealth have been met with in it, but like all the other claims in the Waio Karaka district, its richest quartz is only found at the greatest depth. Hitherto the workings have only been to a depth of 100 feet below the surface, but several winzes have been sunk on the reefs to depths of from 20 to 30 feet, and from these winzes specimens of extraordinary richness have been taken. The lodes of this mine are smaller than those of the Bright Smile, and vary from 15 inches to 5 feet. The Company has commenced to sink a new shaft, and I have no doubt, when this reaches a sufficient depth to open the reefs at lower levels, this mine will prove a very valuable one. Amongst the other mines of this district, the Bird-in-Hand, Exchange, and Queen of the May hold good positions. There are four winding engines and one pumping engine at work in this small district. In my last report I gave from the *Thames Advertiser* the returns of the stone crushed and the gold produced. These returns are not made up to a certain date in each month, but on the sailing of the mail steamer. From the same source I furnish the following statistics regarding the produce of the district during the last twelve months. Included in the returns are a few which properly belong to the Coromandel district:—

Date.	Stone crushed.	Results.
1873. April 19	7,367	9,111
" May 12	7,331	9,208
" June 28	12,523	16,509
" July 29	9,915	11,928
" August 25	8,618	9,486
" September 25	7,547	8,280
" October 22	6,637	8,208
" November 20	7,108	9,361
" December 19	6,140	8,597
1874. January 13	5,094	8,234
" February 13	4,910	6,918
" March 14	6,136	8,340
	89,326 tons;	114,180 ozs.

In my last report the number of ounces given as produced in the same period of 1872-73 was 143,036, so that this year shows a decrease. Since the last date, however, March 14, there has been a large produce of gold proportionately to the time.

It has been proposed to obtain the assistance of the Government in prospecting the lower levels of the Thames gold field, and when the Hon. Mr. Vogel was here on the 25th of February, a deputation of gentlemen interested in the field waited upon him on the subject. The proposal was to sink the shaft of the Pumping Association to a depth of 700 feet; to sink the shaft of the Bright Smile claim, or some other shaft, upon the Waio Karaka Flat, to a similar depth, and to drive a connecting tunnel. By this plan, different lodes would be cut, and by a tunnel being continued southward from the Waio Karaka Flat towards the South British ground, the lower levels would be satisfactorily proved; and even if no extraordinary discovery were made, there can be little doubt that important work for very many years would be opened up in the present mines. It is further proposed to extend the Kuranui Hill tunnel so as to prospect and drain the low levels of the claims on the range. The Premier made some remarks upon the different parts of the scheme, and promised that if those interested could propose any plan which would be satisfactory to His Honor the Superintendent, as holder of the delegated powers, and would give security for the repayment of the money advanced, he would be prepared to consider the scheme. The enterprise would be of great benefit to the field and of importance to the Colony.

During the year there has been but little prospecting done throughout the peninsula, and there have been no new finds nor rushes beyond what has come to be regarded as the boundaries of the gold field, from the beach to the head of the small creeks that enter the sea in the vicinity of Shortland and Grahamstown. No discovery has been made at Hikutaia and Whangamata, and indeed no systematic prospecting has been done there. I think also that there are fewer men on the ranges at Ohinemuri than there have been for some years. No doubt the abundance of work throughout the Colony has a tendency to take away men who might otherwise devote themselves to prospecting, and this, coupled with the fact that prospecting in a rough country covered with bush and thick undergrowth,